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UNITED STATES  
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# **National Intelligence Bulletin**

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UK

Harold Wilson and Britain's Labor Party appear headed for a narrow majority, enabling them to continue in government following yesterday's national elections.

With counting completed in more than three-fourths of the 635 parliamentary districts, the Labor Party has captured 292 seats, 26 short of a majority. The Conservatives have won 184 seats so far, and the Liberals 5.

There are no early reports from either Scotland, where the Nationalists were expected to increase their representation, or from Northern Ireland. Welsh nationalists reportedly are not doing well.

Some 71 percent of the nation's 40 million voters went to the polls yesterday in contrast to nearly 79 percent in February. Early predictions gave Labor a majority fluctuating between 5 and 62 seats before election workers stopped counting last night.

Counting will resume this morning in the 146 districts still undecided. Edward Heath, leader of the Conservatives, declined to concede last night and said it might be necessary to wait until all the votes were counted this afternoon.

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**National Intelligence Bulletin**      October 11, 1974ETHIOPIA

The Armed Forces Coordinating Committee announced on Wednesday the arrest of 21 prominent figures of the previous regime. Those detained include former high civilian officials and two senior military officers. Some 170 officials identified with the old regime were already under detention before these latest arrests.

The committee has avoided widespread arrests of its opponents among middle-level and junior officers and enlisted men, the ranks that have provided the basic support for the revolution. A 1st Division officer arrested Wednesday is the only person among this group detained since the arrest of several members of the engineering and aviation battalions on Monday. [REDACTED]

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The committee apparently hopes to have subdued its military opponents by the show of force and by public warnings that it will not tolerate opposition. The various opponents, although divided among themselves, nevertheless have the potential for making trouble.

Unrest continues to simmer in university circles. On Monday the police in Harar, a provincial capital in eastern Ethiopia, arrested 20 students and administrators who had seized control of an agricultural college after forcing the ouster of its president. The next day the police arrested 200 more students and administrators who had gathered to demand the release of their colleagues.

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VIETNAM

The Viet Cong's Provisional Revolutionary Government issued a statement on October 8 calling for the overthrow of President Thieu as a necessary step toward the implementation of the Paris agreement.

This line first appeared last August in authoritative articles in North Vietnam's party and army newspapers and was quickly picked up by the Viet Cong's Liberation Radio. An editorial in Nhan Dan on October 9 officially endorsing the hardened Communist position on Thieu is another sign of Hanoi's disenchantment with the prospects for major political gains through negotiations as long as Thieu remains in power.

The timing of the statement was clearly designed to exploit continuing antigovernment demonstrations in the South. The statement hailed the current political agitation as proof of the public's demand for Thieu's removal and for the formation of an "administration willing to implement the Paris agreement."

Hanoi's position on Thieu contrasts with its earlier line that the Thieu government would be replaced in due course by the political process established in the Paris agreement. Hanoi's decision to abandon this position followed President Ford's address to Congress in August affirming his intention to maintain US support for Saigon.

More recently, the Communists have reacted sharply to Deputy Secretary Clements' statement about the possibility of US military reintervention, citing it as another indication that the US is not prepared to lessen significantly its support for Saigon.

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SOUTH KOREA

Street demonstrations in Seoul during the past two days have become a major affront to the Pak government.

The protests have included a large Catholic demonstration and marches at Seoul University and a number of other schools. Riot police have clashed with the protesters, but there have been few serious injuries so far. The demonstrations were sparked by the leader of the major opposition party, Kim Yong-sam, who threatened in a speech on Monday to lead a struggle in the streets if basic democratic reforms were not carried out.

President Pak quickly rebuked Kim, warning publicly that he would take firm action against any attempt to cause trouble. The protests came immediately after Pak's warning.

The demonstrators are emphasizing two long-standing demands: release of people imprisoned under the emergency decrees earlier this year; and reform of the constitution, which gives Pak unlimited power.

The assassination attempt in August set off a harsh anti-Japanese campaign that diverted attention from South Korea's serious domestic tensions. In the immediate aftermath of that event, Pak dropped two of four emergency decrees and talked some about taking other conciliatory steps. Recently, however, Pak and his enemies--consisting of a small but significant part of the educated urban elite--have hardened their views and squared off again. The basic issue is Pak's authoritarian rule, which he argues is necessary as long as the confrontation with the North continues.

One new element in the situation is the planned visit of President Ford to Seoul in November. This, together with recent criticism of Pak in the US, may have encouraged Pak's enemies to make protests that would have carried grave risks earlier this year. Pak has tried to disabuse the opposition of the notion that it can get away with more now, stressing that the US has made no demands that he moderate his policies, and adding that he will take firm measures to maintain order.

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The government expects the demonstrations to peak during the next few days. Based on past performance, security forces should be able to contain the protests, but there is danger of heavy violence.

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WEST GERMANY - UK - ITALY

The engine problems that have continued to trouble the European Multirole Combat Aircraft may be more severe than had been previously reported.

After a test flight last month, West German air force officers told the US defense attaché in Bonn that the MRCA's RB-199 engines were delivering only 75 percent of their expected thrust.

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The MRCA has been troubled with developmental problems, cost overruns, and severe public criticism almost from the beginning of the program. The most serious problem encountered with the engine is that of pressure imbalances in the turbine, apparently stemming from a basic design error.

Those in charge of the program presumably were concerned that public awareness of the seriousness of the MRCA's engine problems might jeopardize continued expenditures by the countries involved in its development--the UK, West Germany, and Italy. Therefore they apparently resolved that test flights could be delayed no longer

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ITALY

Italian Senate President Spagnolli is expected to report back to President Leone within a few days on the prospects of reconstructing the center-left coalition.

The Senate official does not have a mandate to form a government; he is merely serving as advance man for Leone's first choice for prime minister, Christian Democratic party boss Amintore Fanfani. Spagnolli will be meeting with the four feuding coalition parties in the next few days to assess Fanfani's chances of working out the differences that led to the government's resignation a week ago.

President Leone reportedly was reluctant to authorize such an exploratory mission. He wanted Fanfani to follow the usual procedure by immediately taking personal charge of the interparty talks. The President's concession is a victory for Fanfani--Italy's most experienced and controversial politician. Fanfani does not want to bear the blame if the center-left coalition cannot be re-formed at this time.

If Fanfani accepts the assignment, his reluctant stance may be helpful in his efforts to revive the coalition. All of the parties apparently declared in his favor during Leone's consultations. By playing hard to get, Fanfani apparently hopes to use their preference for him to force the parties to reveal the issues on which they are willing to compromise; they have shown practically no flexibility in their public statements so far.

The effects of the stalemate on the economy began to emerge this week when caretaker Labor Minister Bertoldi--a Socialist--failed to mediate a dispute in Turin between organized labor and Fiat, the country's largest private employer. A subsequent general strike in Turin was marked by violence, while the unions implied that Fiat officials had rejected Bertoldi's proposals because they did not want to enhance Socialist prestige during the government crisis.

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The caretaker government will find it increasingly difficult to deal with labor's demands, because the unions want substantially the same changes in the austerity program that the Socialist Party is demanding as a condition for rejoining the coalition. [REDACTED]

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## FOR THE RECORD

Ecuador: President Rodriguez has ousted his ultra-nationalist minister of natural resources and replaced him with a moderate. The new appointee, navy Captain Luis Salazar Landeta, is expected to follow a more pragmatic approach toward foreign oil companies and potential foreign investors. While Ecuador's overall nationalistic stance is likely to continue, Salazar probably will pursue petroleum policies that are less heavy-handed and more in line with the attitudes of Rodriguez and the conservative elements of the government. The new minister is not well known, but he has the trust and confidence of the President, whom he served as special military adviser. [REDACTED]

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USSR: For the first time in three years, Soviet Jews, celebrating the holiday of Simchath Torah on October 8, were allowed to sing and dance in the street in front of Moscow's main synagogue. The new policy was apparently part of an effort by the Soviet leadership to polish up its image in the West. [REDACTED]

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